

Message Text

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53

ACTION EA-14

INFO OCT-01 EUR-25 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03

INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00 PA-04 PRS-01

USIA-15 IO-14 DRC-01 /202 W
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R 290905Z MAY 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 2190

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION OECD PARIS

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E.O. 11652 N/A

TAGS: ENRG, JA

SUBJ: CONTINUATION OF JAPANESE CONTROLS ON ENERGY

REF: TOKYO 2610 B. TOKYO 6272

SUMMARY: GOJ WILL MAINTAIN OIL AND POWER CONSUMPTION CONTROLS
IN JUNE, AT LEVEL IN FORCE OVER PAST THREE MONTHS BUT WILL
SHIFT CONTROLS FROM LEGAL TO ADMINISTRATIVE GUIDANCE BASIS.
CHANGEOVER NOT EXPECTED TO HAVE AND SIGNIFICANT EFFECT ON
CURRENT LEVEL OF JAPANESE OIL CONSUMPTION. EMD SUMMARY.

1. ON MAY 28, GOJ FORMALLY APPROVED CONTINUATION IN JUNE
OF JAPAN'S POLICY OF RESTRICTING USE OF ENERGY. CONTROLS
ON ENERGY USE WILL BE MAINTAINED AT SAME LEVELS WHICH HAVE
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BEEN IN FORCE DURING PAST THREE MONTHS (8PERCENT BELOW

OIL CONSUMPTION IN CORRESPONDING MONTH OF 1973, AND 10 PERCENT BELOW POWER CONSUMPTION IN OCTOBER 1973); HOWEVER, FORM OF CONTROLS WILL SHIFT FROM LEGAL TO QTE ADMINISTRATIVE GUIDANCE UNQTE BASIS. THIS, MAJOR INDUSTRIES WILL NO LONGER BE SUBJECT TO LEGAL PENALTIES IF THEY DO NOT COMPLY WITH CONSUMPTION CONTROL PROGRAM, BUT MITI WILL DIRECT COMPANIES TO CONTINUE TO HOLD ENERGY USE WITHIN PREVIOUS MEASURES AFFECTING GENERAL PUBLIC WILL REMAIN IN EFFECT. THESE INCLUDE SUNDAY AND HOLIDAY CLOSING OF GASOLINE STATIONS; SLIGHTLY SHORTENED HOURS FOR STORES, AND LIMITATIONS ON BROADCAST HOURS. AS EXPECTED (SEE REFTEL B) STATE OF EMERGENCY, DECLARED DURING ENERGY CRISIS, WILL REMIAN IN FORCE.

3. DECISION TO ALTER FROM OF CONTROLS REPRESENTED COMPROMISE BETWEEN POSITIONS OF FINANCE MINISTER FUKUDA AND MITI MINISTER NAKASONE. FUKUDA REPORTEDLY STRONGLY FAVORED CONTINUATION OF LEGAL CONTROLS AT LEVEL OF PREVIOUS THREE MONTHS ON GROUNDS THAT THEY WRE NECESSARY TO GOJ'S PROGRAM OF DEMAND RESTRAINT AIMED AT COMBATTING INFLATION. NAKASONE SAID TO HAVE MAINTANED THAT CONTROLS WERE NO LONGER NECESSARY SINCE (A) OIL SUPPLY SITUATION HAD IMPROVED, AND (B) JAPANESE ECONOMY HAD TURNED DOWN AND PRESENT LEVELS IN ANY CASE.

4. OFFICIALS ESTIMATES APPROVED BY GON TOGETHER WITH NEW CONSUMPTION CONTROL PROGRAM PUT EXPECTED JUNE OIK IMPORTS AT 24.5 MILLION KILOLITERS. GOJ ALSO FORECAST THAT JAPAN WOULD HAVE 57 DAY STOCKPILE AT END OF JUNE, COMPARED WITH OCTOBER LEVEL OF 59.7 DAYS.

5. COMMENT: THOUGH GOJ DECISION CALLS FOR CONTROLS TO BE MAINTAINED AT LEVEL OF PAST THREE MONTHS, CHANGE FROM LEGAL BASIS TO ADMINISTRATIVE GUIDANCE WILL GIVE MITI CONSIDERABLY MORE FLEXIBILITY IN SETTING CONSUMPTION CONTROLS ON COMPANY BY COMPANY BASIS. HOWEVER, LEGALLY BASED CONTROLS APPEAR TO HAVE BEEN ENFORCED ON RATHER RELAXED BASIS, IT IS DOUBTFUL THAT OIL CONSUMPTION IN JUNE WILL RISE TO ANY APPRECIABLE EXTENT AS RESULT OF LIMITED OFFICIAL USE

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GOJ ACTION.
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Message Attributes

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Copy: SINGLE
Draft Date: 29 MAY 1974
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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: golinofr
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
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